GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:163
ANSWERED ON:27.02.2007
POWER PLANT IN SEZ
Rao Shri Kavuru Samba Siva

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the nature and amount of customs and excise benefits on plant and machinery extended for setting up of exclusive power plants in the Special Economic Zones to meet its power supply demand;

(b) whether the Government proposes to allow sale of surplus power produced to buyers outside the Special Economic Zones at regulated tariff; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Generation and distribution of power is an infrastructure facility and the developer is eligible for full exemption from Central Excise & Customs duties for setting up, operation and maintenance of the same.

(b) and (c): Since power cannot be stored, sale of surplus power has to be allowed at tariff decided by the competent authority.